

Audit Highlights

Comprehensive Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2002

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Putnam County as of and for the year ended June 30, 2002.

Results

Our report on Putnam County's financial statements was qualified because the statements did not include a General Fixed Assets account group and did not include one component unit whose financial statements were not available at the date of this report.

Our audit resulted in 12 findings and recommendations, which we have reviewed with Putnam County management. Detailed findings, recommendations, and management's responses are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Several deficiencies were noted in the operations of the School Age Child Care Program. Duties were not adequately segregated. Collections were not deposited with the county trustee within three days, as required by state statute. Program records were not reconciled with the General Purpose School Fund, and adequate controls were not established for accounts receivable.
- ◆ The School Federal Projects Fund had a fund deficit of \$108,468. Federal program claims for reimbursement were not filed on a timely basis, and the reports and claims for reimbursement were not reconciled with the accounting records. Also, the annual financial report filed with the state Department of Education did not agree with the accounting records.

OFFICE OF COUNTY EXECUTIVE:

- ◆ Purchase orders were not issued in some required instances, and some purchase orders were issued after the purchase had been made. Also, invoices were paid without documentation that goods had been received and/or services had been rendered.
- ◆ The Solid Waste Disposal Department collections posted to the department's accounting records were not reconciled with collections deposited with the county trustee.

OFFICE OF CLERK AND MASTER:

- ◆ An employee stole funds of \$3,594.61 from the office.
-

OFFICE OF ASSESSOR OF PROPERTY:

- ◆ The assessor of property certified over 900 changes to the 2001 tax rolls, and many of these changes did not appear to be allowed by state statute.
-

OFFICE OF SHERIFF:

- ◆ The office did not maintain records to document that all arrestees were fingerprinted and that the fingerprints were filed with the Tennessee Bureau of Investigation, as required by state statute.
 - ◆ Funds were not deposited to the office bank account within three days of collection, as required by state statute.
-

OTHER FINDINGS:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Highway Superintendent, Director of Schools, Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Deficiencies were noted in the administration of a county surplus property sale. Unofficial receipts were issued for sale proceeds, and three of these receipts could not be located. Also, the auctioneer was paid \$200 cash from the sale proceeds without any documentation of the disbursement.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*